Connecticut Center for Advanced Technology, Inc.

222 Pitkin Street – Suite 101
East Hartford, CT 06108
Phone (860) 291-8832
Fax (860) 291-8874

Testimony of Elliot Ginsberg

Connecticut Center for Advanced Technology, Inc.

before

Commerce Committee

March 7, 2013

Regarding

Raised Senate Bill No. 1021

AN ACT CONCERNING FUNDING FOR THE CONNECTICUT CENTER FOR ADVANCED TECHNOLOGY'S INNOVATIVE TECHNOLOGY INSERTION PROGRAM

Senator LeBeau, Representative Perone, members of the Committee, my name is Elliot Ginsberg, President and Chief Executive Officer at the Connecticut Center for Advanced Technology, Inc. (CCAT) in East Hartford, CT. Part of CCAT's mission is to develop, apply, and transition advanced manufacturing technologies to strengthen the competitiveness of the manufacturing community. I am here today in support of Raised Senate Bill No. 1021.

CCAT serves as a proven resource to help manufacturers successfully compete in a global economy – securing ongoing contracts with legacy customers; hence protecting exiting employment levels and growing jobs by obtaining new production orders with more competitive quotes. Collectively, through our Advanced Manufacturing Center, we develop and transition state-of-the-art manufacturing process technology to small and medium-sized manufacturers (SMMs). CCAT's facilities already include some of the newest equipment available anywhere in the world. These facilities are utilized as an enabling resource that can help transition new manufacturing advancements to industry.

CCAT has a successful track record in strengthening the competitiveness of our manufacturers and stimulating job creation. Previous legislation passed by this Commerce Committee and funded through DECD has proven this premise. In 2005, the Aerospace and Defense Initiative (ADI) directed a $2M investment at improving the efficiency and productivity of Connecticut's Aerospace & Defense (A&D) sector. The money was used to help pay for 246 Continuous Improvement (CI) events at 69 companies. These 69 companies invested $2M of their own money and over $4M of in-kind labor in these improvement projects; a clear example of leveraging the State's investment. Over 700 new jobs were created at the participating companies between 2006 and mid-2009.

More recently, under a DECD assistance agreement, CCAT developed, launched, and is administering a pilot program, Innovative Technology Insertion (ITI), to radically improve the competitiveness of Connecticut's SMMs engaged in precision machining. ITI enables manufacturers to increase productivity and create a

competitive advantage beyond that enabled by Continuous Improvement (CI) events alone. The basis of ITI is process technology assessment and validation outside of the normal production cycle and then turn-key transition to production once the improved process is demonstrated to work. The innovative technology is developed in parallel with on-going production and when proven robust inserted into the production cycle. **Within 3 weeks of launch this pilot program was fully subscribed; that is, all funds currently available were allocated to companies wishing to conduct projects.**

CCAT understands that manufacturers, especially those classified as SMMs (Small and Medium-sized Manufacturers), are continually challenged by their customers to be faster, better, and cheaper; focused on meeting aggressive cost targets and ensuring on-time delivery of 100% quality products. These SMMs are fully consumed with day-to-day production demands and have little time to explore new technologies or try state-of-the-art methods. In fact, they are generally very conservative in approaching newly developed methods; not wanting to disrupt on-going production for fear of missing a delivery or scraping a high value part. This understanding led to the establishment of CCAT's Advanced Manufacturing Center (AMC).

The CCAT AMC is at the heart of ITI. The AMC continually acquires state-of-the-art equipment and advanced manufacturing software and develops people that know how to use both. Current capabilities address 5-axis precision machining, advanced laser processing (including hole drilling/shaping, welding, coating removal, and additive manufacturing), and metrology. The AMC enables technology evaluation, parallel process development/validation, and turn-key transition to production at SMMs to provide them increased productivity.

Prior projects conducted at the AMC have helped manufacturers solve difficult production problems and improve efficiency. An example is the machining cycle time reduction project conducted for AeroCision (Chester). This project reduced the machining time of a stainless steel aerospace part from 37 minutes to 11 minutes. AeroCision's president, Andrew Gibson, noted that the part was a "money loser" and now is a "money maker" for his company. Such cycle time reductions allow SMMs to be more aggressive bidding new work; hence increasing the likelihood that new production orders will come to Connecticut and enable companies to grow and create jobs.

Under the ITI pilot program this success has continued, and results from this program are already significant. Nine projects have been completed and the improved technology and new process implemented at the manufacturer. In aggregate, projects have reduced manufacturing cycle time by 67%; directly resulting in reduced operating cost for participants. Further, the success of these projects has given manufacturers the confidence to bid new work more aggressively. This has already led to one company, Flanagan Industries (Glastonbury) getting a new order for 17 high value aerospace parts; total value in excess of $2M. Without the ITI program this order would likely have gone to a lower cost state or placed offshore by the customer.

The ITI pilot program has allowed 20 SMMs, representing 1800 Connecticut jobs, to benefit from the resources of CCAT's Advanced Manufacturing Center. With the aforementioned successes, more SMMs are coming forward asking for assistance and a wait list is being compiled. Overall there are over 550 SMMs, representing 14,000 jobs, that would benefit from the expansion of this program.

In closing, I want to thank you for your attention to this proposal and for the opportunity to describe our ongoing success with technology optimization. I'd be happy to answer any questions.